

LIMITED SOURCES JUSTIFICATION

ORDER >\$150,000

FAR PART 8.405-6

Acquisition Plan Action ID: VA248-17-AP-7144

This acquisition is conducted under the authority of the Multiple Award Schedule Program. The material or service listed in par. 3 below is sole source, therefore, consideration of the number of contractors required by FAR Subpart 8.4 – Federal Supply Schedules, is precluded for the reasons indicated below.

Restricted to the following source: Provide original manufacturer's name for material or contractor's name for service. (If a sole source manufacturer distributes via dealers, ALSO provide dealer information.)

Manufacturer/Contractor: General Electric (GE) HEALTHCARE

Manufacturer/Contractor POC & phone number: Matt Harrison, Tel: 919-244-8792

Mfgr/Contractor Address: 3000 N. Grandview Blvd, Waukesha, WI 53188

Dealer/Rep address/phone number: N/A

The requested material or service represents the minimum requirements of the Government.

(1) AGENCY AND CONTRACTING ACTIVITY:

Department of Veterans Affairs

Bruce W. Carter Medical Center

1201 NW 16 Street

Miami, Florida 33125

VISN:

08

(2) NATURE AND/OR DESCRIPTION OF ACTION BEING APPROVED:

This is a request for other than Full and Open Competition. The services requested are for preventative maintenance and emergent repairs to General Electric (GE) Healthcare Imaging Equipment. The requested service can and should only be facilitated by the Original Equipment Manufacture due to proprietary software and keys facilitated only to GE factory trained Engineers. The service is a highly-specialized requirement per FAR 8.405-6(a)(1)(i)(b). Services required are referenced on NAC contract SPE 2D1-17-0015-VA797H-17-D-0024. The Firm, GE Healthcare, to provide: all labor, transportation, tools and parts necessary for full service maintenance to include glassware (tubes) on GE Brightspeed CT scanners used daily in the Radiology Service area. The request is for the Bruce W. Carter Miami VA Medical Center.

(3) (a) A DESCRIPTION OF THE SUPPLIES OR SERVICES REQUIRED TO MEET THE AGENCY'S NEED:

All labor, travel and parts associated with the repair and maintenance of the following equipment:

(Quantity) - Equipment

- One (1) - Innova 3100 Q
- Five (5) - Optima XR 220
- One (1) - Infinia Hawkeye 4 Camera
- Two (2) - Lightspeed CT ((1) 64 Slice VCT and (1) 16 Slice)
- One (1) - Brightspeed 16 Slice CT

(b) ESTIMATED DOLLAR VALUE: \$639,443.50/\$3,197,217.50

(c) REQUIRED DELIVERY DATE: 14 July 2017

(4) IDENTIFICATION OF THE JUSTIFICATION RATIONALE (SEE FAR 8.405-6), AND IF APPLICABLE, A DEMONSTRATION OF THE PROPOSED CONTRACTOR'S UNIQUE QUALIFICATIONS TO PROVIDE THE REQUIRED SUPPLY OR SERVICE.

Specific characteristics of the material or service that limit the availability to a sole source (unique features, function of the item, etc.). Describe in detail why only this suggested source can furnish the requirements to the exclusion of other sources.

The high tech medical equipment mentioned herein is manufactured and distributed by GE Healthcare. GE is the original equipment manufacturer (OEM) with proprietary covered by the GE patents and other intellectual property rights. FDA approved hardware and software (also proprietary) is required to repair and properly maintain the existing high tech equipment. GE does not partner or certify Small Businesses for their equipment maintenance/repair services. All repair parts must be compatible in all aspects with the existing system; any improper repairs to this system can cause severe patient injury (misdiagnosis).GE does not license proprietary service materials (Class C) to their (3rd) parties. GE does provide data-driven maintenance prediction tools that continuously monitor equipment systems and forecast maintenance needs. In addition, GE has "InSite" remote diagnostics which supports high uptime by seamlessly integrating the equipment with the GE digital service network, so that their engineers can evaluate, diagnose, and resolve technical issues remotely every time a problem is reported.

A patent, copyright or proprietary data limits competition. The proprietary data is:
GE Healthcare is the original equipment manufacturer (OEM) with proprietary, FDA approved hardware and software required to repair and properly maintain equipment.

These are "direct replacements" parts/components for existing equipment.
Any parts replaced as part of the maintenance for the high-tech medical equipment herein, to include the glassware must be FDA approved direct replacements.

The material/service must be compatible in all aspects (form, fit and function) with existing systems presently installed/performing. Describe the equipment/function you have now and how the new item/service must coordinate, connect, or interface with the existing system.
Requirement is for preventive maintenance and repair services to the medical centers high-tech medical equipment. All repair parts must be compatible in all aspects with the existing system. Any improper repairs performed to the system can cause patient injuries and in some cases death. The original equipment functionality must be maintained and all parts replaced must meet FDA requirements for appropriate part replacement. In some cases, repairs require the use of software that is an integral component in the proper functioning of the medical equipment. The equipment system is highly complex and is used for patient diagnostic imaging studies on a variety of body systems.

The new work is a logical follow-on to an original Federal Supply Schedule order provided that the original order was placed in accordance with the applicable Federal Supply Schedule ordering procedures. The original order must not have been previously issued under sole source or limited source procedures.
Not applicable.

An urgent and compelling need exists, and following the ordering procedures would result in unacceptable delays.
Not applicable.

(5) DESCRIBE WHY YOU BELIEVE THE ORDER REPRESENTS THE BEST VALUE CONSISTENT WITH FAR 8.4 TO AID THE CONTRACTING OFFICER IN MAKING THIS BEST VALUE DETERMINATION:

The anticipated price to the Government is \$639,443.50 to cover one (1) year. The National Contract (NAC) IDIQ contract is offered at a substantial discount, twenty-seven percent (27%), from non-government list pricing. The savings alone for the tube replacement is substantial since tubes normally costs between \$75,000.00 to \$110,000.00 and are usually replaced ever eighteen (18) months, based on the use of the equipment. Another factor to costs is the aging of equipment which usually requires more service repairs.

Prior to award a price reasonableness determination will be processed and inserted into the eCMS briefcase. The results will be based on historical purchases for the same or like items throughout the VA.

(6) DESCRIBE THE MARKET RESEARCH CONDUCTED AMONG SCHEDULE HOLDERS AND THE RESULTS OR A STATEMENT OF THE REASON MARKET RESEARCH WAS NOT CONDUCTED:

See above – OEM is the only firm capable of providing services.

(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:

Not applicable.

(8) A STATEMENT OF THE ACTIONS, IF ANY, THE AGENCY MAY TAKE TO REMOVE OR OVERCOME ANY BARRIERS THAT LED TO THE RESTRICTED CONSIDERATION BEFORE ANY SUBSEQUENT ACQUISITION FOR THE SUPPLIES OR SERVICES IS MADE:

Until the market becomes more saturated with third party vendors per the standards set forth by Government and Industry this requirement will continue to be monopolized by the OEM. Perhaps the VA might consider a national contract BPA or other to streamline the ordering process at the facility level for equipment such as this.

(9) REQUIREMENTS CERTIFICATION: I certify that the requirement outlined in this justification is a Bona Fide Need of the Department of Veterans Affairs and that the supporting data under my cognizance, which are included in the justification, are accurate and complete to the best of my knowledge. I understand that processing of this limited sources justification restricts consideration of Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4. *(This signature is the requestor's supervisor, fund control point official, chief of service or someone with responsibility and accountability.)*

Bruce W. Carter Medical Center (Miami)
FACILITY

Chapter VI: Other Than Full and Open Competition (OFOC) SOP
Attachment 2: Request for Limited Sources Justification Format >\$150K

a. Contract Specialist: I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

b. Contracting Officer: I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

c. Product Line Supervisor: I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

DATE

d. Division Chief/DESIGNEE: I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

Director of Contracting or Designee

HIGHER LEVEL APPROVAL (Required For orders over \$700,000):

e. VHA SAO HCA REVIEW AND APPROVAL (over \$700,000 to \$13.5 million): I have reviewed the foregoing justification and find it to be complete and accurate to the best of my knowledge and belief and approve for restricting consideration of the Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4

SAO East Director
VHA Head of Contracting Activity (HCA) or Designee